

# Flexible Spending Accounts

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## **What are Flexible Spending Accounts?**

A Flexible Spending Account (FSA) allows employees to set aside money from their pay, on a pre-tax basis, to use for qualifying health care or dependent care expenses. Enrollment in either or both FSAs can occur during the employee's annual open enrollment period or within 60 days of a qualifying midyear event that is consistent with making the FSA election. The employee determines the amount to set aside based on anticipated eligible expenses and contribution limits. The total amount of the election is deducted from the employee's pay in equal amounts and placed in the FSA(s).

It is important that the employee plans their elections(s) carefully since unused FSA contributions will be lost after the end of the plan year if not used within the time frames specified by the plan. Tools to assist employees in making their election(s), as well as complete information regarding qualifying expenses and time limits are included in the ***Flexible Spending Account Sourcebook*** that is published each year and can be found at:

<http://www.dhrm.virginia.gov/docs/default-source/benefitsdocuments/ohb/fsa-sourcebook-2018-a10323.pdf?sfvrsn=0>